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**This measure will not strengthen Medicare**

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I voted against the Medicare reform bill because it will not strengthen Medicare and does not responsibly address the need for prescription drug coverage. It will add trillions of dollars onto Medicare's current \$13.5 trillion in unfunded liabilities for future generations.

I voted against this for reasons different from those of many of my Democratic colleagues.

Yes, it does contain some good things, like realistic Medicare reimbursement formulas for rural hospitals and physicians, preventive health care measures and means testing. For \$400 billion over 10 years and an additional \$7 trillion of unfunded liabilities, it should!

This started as a prescription drug plan for seniors. We need to add such a plan. But it must be an honest, responsible plan that can be paid for and sustained by the next generation. This bill became a payoff to special interest groups involved in Medicare reform.

It expressly prohibits the federal government from negotiating drug prices for Medicare beneficiaries, even though the government negotiates prices for other Medicare services. Who wins here?

The drug benefit structure is confusing. There are premiums, deductibles and gaps in coverage. Between \$2,250 and \$5,044 of drug expenditures, seniors pay 100 percent of their drug expenses while continuing to pay monthly premiums. Who wins here?

There is a fear that many employers may drop the drug coverage they offer retirees once a federal benefit is in place. In order to prevent this, the bill contains \$68 billion in tax-free payments to employers so that they will continue to offer retiree prescription coverage.

However, many employers are already contractually obligated to do this through collective bargaining agreements. These employer subsidies are being used to provide drug coverage for those already covered. Who wins here?

Congress should have produced a bill that addressed those seniors who do not now have prescription coverage. Seventy-five percent of Medicare beneficiaries already have some such coverage. We also should have limited the bill to addressing some of the real problems with Medicare, such as rural health care reimbursement formulas and preventive health measures, and by addressing some form of means testing and the cost of prescription drugs. This could have been done.

There is nothing in this bill to control costs. There is a phony cost containment "trigger" that would require an unspecified "congressional response" once the general revenues

(revenues *beyond* the Medicare payroll tax) account for 45 percent of program spending. Currently, 30 percent of Medicare costs are being paid for from the general treasury. When Medicare was enacted in 1965, the government's lead actuary projected that the hospital program (Part "A") would grow to \$9 billion by 1990. It ended up actually costing more than \$66 billion by 1990. This is reality.

There is a larger point to all of this. Who is looking out for the future of the country? This administration and Congress have increased federal spending over the past three years by 21 percent, resulting in budget deficits for the last two years of \$559 billion, with next year's deficit estimated to be about \$500 billion. We passed some of the largest and most expensive bills in the history of the Congress in the past three years - at the same time passing some of the largest tax cuts ever.

All of this at a time when America has taken on more peacekeeping and nation- building around the world than at any time since World War II - all at huge costs. And we see a dangerous and strong protectionist movement beginning to dominate our historical commitment to free trade that will have a negative impact on our trade and institutional relations as well as our economy.

I gave my first speech on the Senate floor in February 1997 in support of the balanced-budget amendment. Republicans used to believe in balanced budgets. Republicans used to believe in fiscal responsibility, limited international entanglements and limited government. We have lost our way.

We have come loose from our moorings. The Medicare reform bill is a good example of our lack of direction, purpose and responsibility. If we don't get some control over this out-of-control spending and policy-for-the-moment decision-making, we will put America on a course that we may not be able to recover from.

We need to reform Medicare. We need a responsible and affordable prescription drug plan for seniors. But this legislation does not fit that prescription. The forces of reality will require us to go back and try to undo the damage we've just done to Medicare and future generations. We then will have another opportunity to do it right.

This time it was about 2004 politics. Next time it will be about responsible policy for the future.